Security Intelligence Review Committee

2012-13

Departmental Performance Report

The Right Honourable Stephen Harper
Prime Minister of Canada

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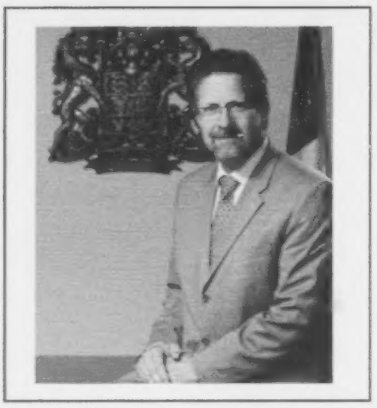
Chair's Message



I am pleased to introduce the Departmental Performance Report of the Security Intelligence Review Committee (SIRC or the Committee) for the fiscal year 2012-13.

As this report represents the summary of my first year as the Chair of the Committee, I take pride in SIRC's accomplishments and renewed commitment to building and maintaining the public's trust that the activities of the Canadian Security Intelligence Service (CSIS or the Service) are carried out in a lawful, effective and appropriate manner. This independent reporting to the Parliament of Canada helps to reinforce the Service's accountability to Parliament and to the citizens of Canada.

This past year has been an active one for the Committee. For the first time, pursuant to section 6(4) of the CSIS Act, the report provided by the Director of CSIS to the Minister of Public Safety was reviewed by SIRC who provides the Minister of Public Safety with a certificate stating the extent to which it is satisfied with the content of the report. This new responsibility included a modest increase to our reference levels. I am proud that, throughout it all, the organization maintained its high level of professionalism and commitment which speaks to the resilience of SIRC's staff.

Our work is intended to provide expert advice to policymakers and lawmakers on CSIS's performance, but also to reassure Canadians that CSIS investigates threats to national security in a manner that respects Canada's core democratic values. The *Canadian Security Intelligence Service Act* (*CSIS Act*) continues to guide SIRC's work in assessing CSIS's performance against the mandate and authorities conferred upon it by Parliament in 1984. The Committee embraces the belief that balancing collective public safety with individual rights is a hallmark of Canada's democratic values and aspirations. It is a theme that I am confident will continue to guide SIRC's work in the future.

The Honourable Chuck Strahl, P.C.
Chair

Section I: Organizational Overview

Raison d'être

The Security Intelligence Review Committee is an independent, external review body which reports to Parliament on the operations of the Canadian Security Intelligence Service. The Prime Minister is responsible for this organization.

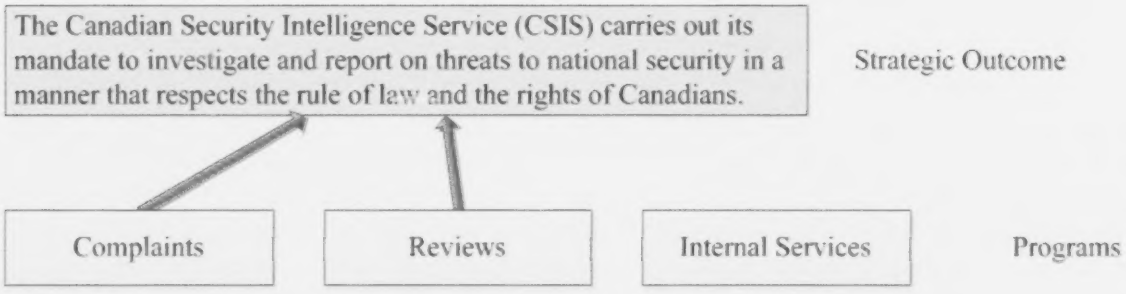
Parliament has given CSIS powers to enhance the security of Canadians. SIRC ensures that these powers are used legally and appropriately, in order to protect Canadians' rights and freedoms. To do this, SIRC examines past operations of the Service and investigates complaints. It has absolute authority, with the exception of cabinet confidences, to examine all information concerning CSIS activities, no matter how sensitive and highly classified that information may be. The result of this work, vetted and edited to protect national security and personal privacy, are summarized in its Annual Report to Parliament.

Responsibilities

SIRC's work is designed to provide expert advice to policymakers and lawmakers on CSIS's performance. It also serves to reassure Canadians that CSIS investigates threats to national security in a manner that respects Canada's core democratic values. The *Canadian Security Intelligence Service Act* (CSIS Act) continues to guide SIRC's work in assessing CSIS's performance against the mandate and authorities conferred upon it by Parliament in 1984.

Bill C-38, the *Jobs, Growth and Long-term Prosperity Act*, expanded SIRC's responsibilities. Pursuant to section 6(4) of the CSIS Act, the report provided by the Director of CSIS to the Minister of Public Safety will now be reviewed by SIRC who will provide the Minister of Public Safety with a certificate stating the extent to which it is satisfied with the content of the report.

Strategic Outcome and Program Alignment Architecture


The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.
Strategic Outcome
Complaints
Reviews
Internal Services
Programs

Organizational Priorities

Priority	Type[1]	Strategic Outcome
Continual improvement for reviews.	Ongoing	The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.
Summary of Progress		
What progress has been made towards this priority? • SIRC successfully hosted the International Intelligence Review Agencies Conference which provided a wealth of information and exposed staff and Members to international best practices in the field of review. • SIRC continued to rely on thematic reviews in order to maximize its ability to assess a broader range of CSIS activities. • SIRC enhanced its research methodology by engaging with academics and experts in the security intelligence field. More specifically, hosted speakers in the fields of radicalization, cryptology and government operations.		

Priority	Type[2]	Strategic Outcome
Continual improvement for the complaints process.	Ongoing	The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.
Summary of Progress		
What progress has been made towards this priority? • In some cases, staff vacancies affected SIRC's ability to investigate complaints in a timely manner as a result of the need to reassign files already in progress. • SIRC legal staff provided training for SIRC's new Chair in order to assist him in presiding over fair, efficient and timely hearings.		

[1-2] Type is defined as follows: **ongoing**—committed to at least three fiscal years prior to the subject year of the report

Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
In 2012, the Federal Court heard two judicial review applications in which the issue of SIRC's jurisdiction to consider the *Canadian Charter of Rights and Freedoms* in the course of its investigations was raised.	• Ensuring that legal staff are knowledgeable in the law relating to the *Canadian Charter of Rights and Freedoms* as it pertains to SIRC investigations. • Ensuring SIRC Members are fully educated on the application of the *Canadian Charter of Rights and Freedoms* as it pertains to SIRC investigations. • This risk was identified in the 2012-13 RPP as a potential risk as the court ruling had not been handed down at the time.	The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians. •Complaints	Continual improvement for the complaints process.
Bill C-38, the *Jobs, Growth and Long-term Prosperity Act*, expanded SIRC's responsibilities. Pursuant to section 6(4) of the CSIS Act, the report provided by the Director of CSIS to the Minister of Public Safety will now be reviewed by SIRC who will provide the Minister of Public Safety with a certificate stating the extent to which it is satisfied with the content of the report. This is a new product for the Committee and a new relationship with the Minister of Public Safety. As with all new relationships, there is an element of risk while expectations are clarified for both organizations.	• By transferring knowledgeable staff from the former Inspector General of CSIS's office, a level of continuity was maintained. • The product was further enhanced through extensive internal and external consultation. Please see SIRC's 2012-13 Annual Report[1] for further information. • This risk was not identified in the 2012-13 RPP as the government's intentions were not known by SIRC at that time.	The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians. • Reviews	Continual improvement for the review process.
Vacancies on the committee have a direct impact on the organization's ability to operate effectively. During 2012-13, the Committee had two unexpected resignations which resulted in the positions being vacant for a lengthy period of time.	• The organization reassigned workload to remaining Members who worked to fill the gaps. • This risk, although always present, was not specifically identified in the 2012-13 RPP.	The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians. • Reviews • Complaints	Continual improvement for the review process. Continual improvement for the complaints process.

Summary of Performance

Financial Resources – Total Departmental ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
2,534	2,534	3,081	2,901	-367

Human Resources (Full-Time Equivalents— FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
16	14	2

Performance Summary Table for Strategic Outcome and Program(s) ($ thousands)

Strategic Outcome: The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.

Program	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15		2012–13[3]	2011–12	2010–11	
Reviews	1,136	1,136	1,535	1,535	1,251	1,053	1,108	1,039	Strong and Independent Democratic Institutions[ii]
Complaints	939	939	735	735	893	514	569	597	Strong and Independent Democratic Institutions[iii]
Strategic Outcome 1 Sub-Total	**2,075**	**2,075**	**2,270**	**2,270**	**2,144**	**1,567**	**1,677**	**1,636**	

[3] In order to align with departmental authorities by Program, as presented in Vol. II of the Public Accounts, services provided without charge amounts for employer's contribution to employee insurance plans, such as the Public Service Health Care Plan and the Public Service Dental Plan provided by the Treasury Board of Canada Secretariat, accommodations provided by Public Works and Government Services Canada, Workers' compensation provided by Human Resources and Skills Development Canada and legal services provided by the Department of Justice are not to be included in this figure. This information is presented in Departmental Financial Statements only.

Performance Summary Table for Internal Services ($ thousands)

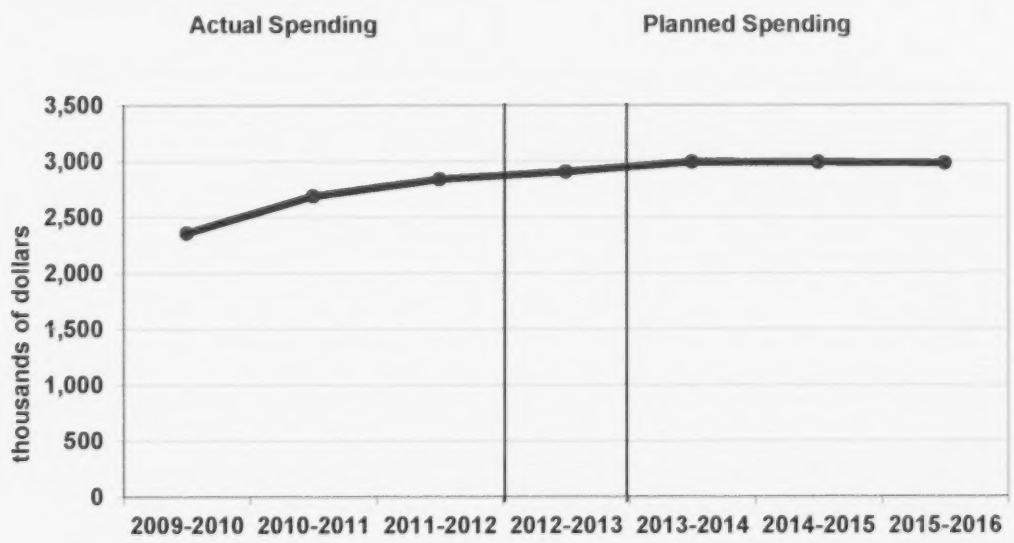
Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
Internal services	459	459	716	713	937	1,334	1,157	1,047

Total Performance Summary Table ($ thousands)

Strategic Outcome(s) and Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
Total	2,534	2,534	2,986	2,983	3,081	2,901	2,834	2,683

Expenditure Profile

Departmental Spending Trend



Bill C-38, the *Jobs, Growth and Long-term Prosperity Act*, expanded SIRC's responsibilities in 2012-13. Additional funding for salaries and some operating expenses were transferred from Public Safety Canada to SIRC in order for the organization to fulfill its expanded mandate. This transfer increased SIRC's authorities over what had previously been approved in the 2012-13 Main Estimates. In addition, the significant spending increase in Internal Services is due to the payment of severance pay requested by employees on a voluntary basis following the ratification of specific collective agreements and for employee retirements.

Future year spending is expected to be flat and in line with the "Planned Spending" noted above.

Estimates by Vote

For information on the Security Intelligence Review Committee's organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada 2013 (Volume III)*[iv]. An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada website.

Strategic Environmental Assessment

During 2012–13 the Security Intelligence Review Committee considered the environmental effects of initiatives subject to The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.

Strategic Outcome: The Canadian Security Intelligence Service (CSIS) carries out its mandate to investigate and report on threats to national security in a manner that respects the rule of law and the rights of Canadians.		
Performance Indicators	**Targets**	**Actual Results**
Number of reviews/complaint investigations that assessed whether CSIS activities were appropriate, effective and in compliance with the CSIS Act, Ministerial Direction and operational policy.	No major incidents of non-compliance by CSIS.	No major incidents of non-compliance by CSIS were identified during the review period.

Programs

1.1 Reviews

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	**Planned Spending 2012–13**	**Total Authorities (available for use) 2012–13**	**Actual Spending (authorities used) 2012–13**	**Difference 2012–13**
1,136	1,136	1,251	1,053	83

Human Resources (FTEs) – For Program Level

Planned 2012–13	**Actual 2012–13**	**Difference 2012–13**
8	7	1

Performance Results – For Program

Expected Results	Performance Indicators	Targets	Actual Results
The improvement of CSIS's performance based on the findings and recommendations that SIRC makes in its reviews.	Number of reviews completed as per SIRC's annual Research Plan.	100% of reviews completed per SIRC's annual Research Plan.	SIRC completed 100% of the reviews identified in the annual Research Plan.
	Percentage of SIRC's review recommendations accepted by CSIS.	70% of SIRC's review recommendations accepted by CSIS.	CSIS accepted 56% of SIRC's recommendations.
	Frequency of reviews of key elements of CSIS activities and operations.	100% of the statutory requirements, as per *CSIS Act*, are met.	100% of the statutory requirements, as per the *CSIS Act*, were met.
	Production of SIRC Annual Report.	Submission of SIRC Annual Report to Parliament as per statutory requirements.	SIRC's Annual Report was submitted to the Minister of Public Safety and Parliament according to statutory requirements.

1.2 Complaints

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
939	939	893	514	425

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
3.5	3	0.5

Performance Results – For Program Level

Expected Results	Performance Indicators	Targets	Actual Results
Parties before SIRC receive a fair and timely resolution of their complaint	Percentage of complaint decisions upheld by the Federal Court on judicial review.	100 %	100 % of the complaint decisions were upheld on judicial review.
	Percentage of complaints cases completed according to service standards.	85 %	79% of decisions on jurisdiction to investigate the complaint were taken within the established service standard.
			Of the complaint reports released, none were issued within the established service standard.

Internal Services

Financial Resources – For Program Level ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
459	459	937	1,334	-875

Human Resources (FTEs) – For Program Level

Planned 2012–13	Actual 2012–13	Difference 2012–13
4.5	4	0.5

Performance Analysis and Lessons Learned

Reviews

With the exception of the "Percentage of SIRC's review recommendations accepted by CSIS" target, all other targets for this program were met. For additional information as well as a full summary of SIRC's recommendations and reports please consult SIRC's Annual Report[v] for 2012-13.

Complaints

The challenge in meeting the service standards in the program were primarily due to the need to reassign active files. During the 2012-13 year, two Members resigned unexpectedly. In addition, there was a longer than anticipated vacancy in SIRC's legal staff due to the unique skills required by the position and the extensive security clearance process needed prior to being able to appoint individuals.

For additional information on SIRC's complaint reports, consult SIRC's Annual Report[vi] for 2012-13.

Section III: Supplementary Information

Financial Statements Highlights

Condensed Statement of Operations and Departmental Net Financial Position

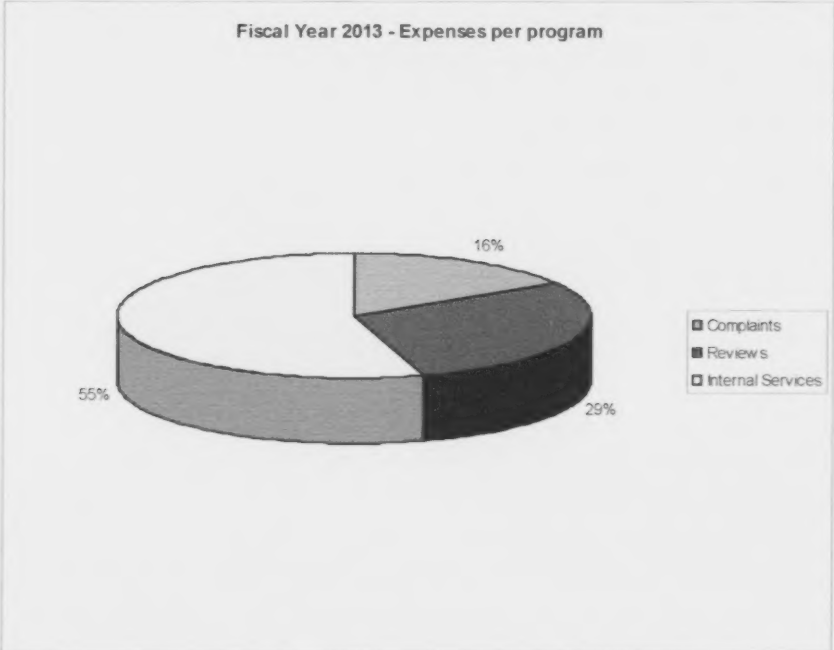
Security Intelligence Review Committee Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2013 ($ thousands)					
	2012–13 Planned Results	2012–13 Actual	2011–12 Actual	$ Change (2012–13 Planned vs. Actual)	$ Change (2012–13 Actual vs. 2011–12 Actual)
Total expenses	3,091	3,094	3,236	(3)	(142)
Total revenues	**0**	**0**	**0**	**0**	**0**
Net cost of operations before government funding and transfers	**3,091**	**3,094**	**3,236**	**(3)**	**(142)**
Departmental net financial position	**(270)**	**(69)**	**(327)**	**(201)**	**258**

The decrease of $142 thousand in the net cost of operations before government funding and transfers from fiscal year 2011-12 to 2012-13 is mainly due to a decrease in salary expenses related to the absence of severance pay cash-out compared to last fiscal year, maternity leave and a decrease of full time employees as a result of reduced spending and fiscal restraint.

The decreases were partially offset by an increase in professional and special services and in transportation and communications.

The increase of $258 thousand in the actual Departmental net financial position is due to a decrease in net liabilities and net financial assets partially offset by the prepaid expenses.

The 2012-13 actual Departmental net financial position is lower by $201 thousand compared to the 2012-13 Planned Results. The difference is mostly explained by less liability in Vacation and Employee Future Benefits and more assets in Due from the Consolidated Revenue Fund, Accounts receivable and Prepaid expenses. The $201 thousand is partially offset by more liability in accounts payable.



The Security Intelligence Review Committee (SIRC) has three key programs related to its strategic outcome: the review Program, the complaints Program and Internal Services. The 2012-13 total expenses per program are described below:

$904 thousand (29%) was spent under the review Program in fiscal year 2012-13 compared to $1,149 thousand in fiscal year 2011-12. $495 thousand (16%) was spent under the complaints Program in fiscal year 2012-13 compared to $477 thousand in fiscal year 2011-12. $1,695 thousand (55%) was spent under Internal Services in fiscal year 2012-13 compared to $1,610 thousand in fiscal year 2011-12.

The decrease in expenses for the review Program (a decrease of $245 thousand from fiscal year 2011-12) is mainly due to a decrease in salary expenses related to maternity leave and a reduction of full time employees.

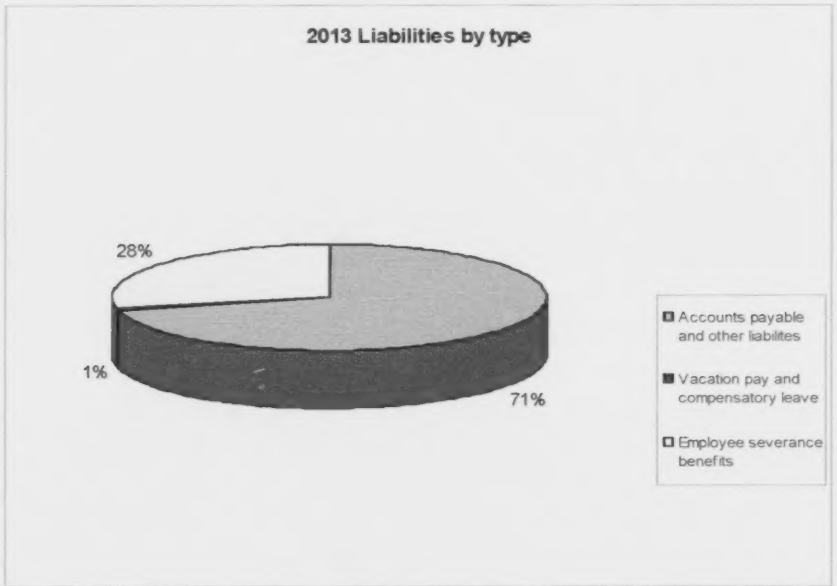
The slight increase in expenses for the complaint Program (an increase of $18 thousand from fiscal year 2011-12) is due to an increase in salary expenses related to an internal reallocation and offset by a reduction in professional and special services expenditures.

The increase in expenses for Internal Services (an increase of $85 thousand from fiscal year 2011-12) is due to an increase in professional and special services expenditures and transportation and communications expenditures offset by a reduction in salary expenses and in purchased repair and maintenance expenditures.

Condensed Statement of Financial Position

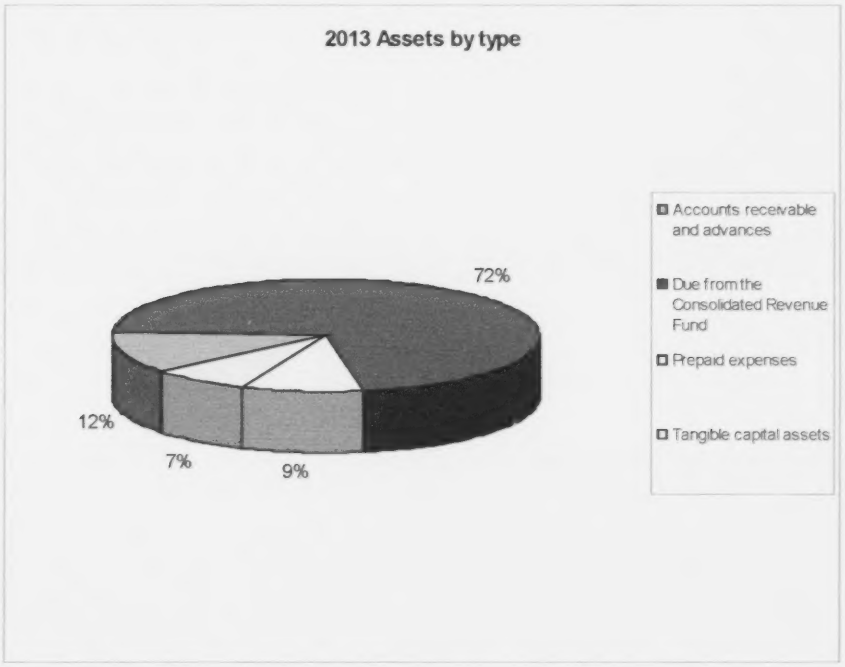
Security Intelligence Review Committee Condensed Statement of Financial Position (Unaudited) As at March 31, 2013 ($ thousands)			
	2012–13	**2011–12**	**$ Change**
Total net liabilities	421	676	255
Total net financial assets	293	319	(26)
Departmental net debt	**128**	**357**	**229**
Total non-financial assets	59	30	29
Departmental net financial position	**(69)**	**(327)**	**258**

The departmental net financial position was -$69 thousand at the end of fiscal year 2012-13, which represents a decrease of $258 thousand compared to fiscal year 2011-12. In the following charts, a more granular level of information is provided to explain the details of the departmental financial position.



Total net liabilities were $421 thousand at the end of fiscal year 2012-13, which represents a decrease of $255 thousand compared to $676 thousand in fiscal year 2011-12. SIRC's 2012-13

liabilities primarily include: accounts payable at $299 thousand (71%) and severance pay liability at $118 thousand (28%). The decrease when compared to 2011-12 is mainly due to the absence of severance pay cash-out and less vacation paid to employees.



Total net financial and non-financial assets were $352 thousand in 2012-13, an increase of $3 thousand compared to $349 thousand in fiscal year 2011-12. SIRC's most important asset is the Due from the Consolidated Revenue Fund at $251 thousand (72%).

Financial Statements

The Security Intelligence Review Committee's Financial Statements[vii] can be found on its website.

Supplementary Information Tables

- Greening Government Operations

All electronic supplementary information tables listed in the 2012–13 Departmental Performance Report can be found on the Security Intelligence Review Committee's website.

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[viii] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Contact Information

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Additional Information

Legislation Administered

Canadian Security Intelligence Service Act[ix]

Endnotes

[i] Security Intelligence Review Committee Annual Report, http://www.sirc-csars.gc.ca/anrran/index-eng.html
[ii] Strong and Independent Democratic Institutions, http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm04
[iii] Strong and Independent Democratic Institutions, http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm04
[iv] Public Accounts of Canada 2012, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html
[v] Security Intelligence Review Committee Annual Report, http://www.sirc-csars.gc.ca/anrran/index-eng.html
[vi] Security Intelligence Review Committee Annual Report, http://www.sirc-csars.gc.ca/anrran/index-eng.html

[vii] Security Intelligence Review Committee Financial Statements,
http://www.sirc-csars.gc.ca/opbapb/fstefi/index-eng.html
[viii] The Department of Finance Tax Expenditures and Evaluations,
http://www.fin.gc.ca/purl/taxexp-eng.asp
[ix] *Canadian Security Intelligence Service Act*,
http://laws-lois.justice.gc.ca/eng/acts/c-23